A Theory of Expert Leadership (TEL) in Psychiatry

Australasian Psychiatry (forthcoming)

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Objective

Leaders' technical competence – 'expert knowledge' – has been shown in many settings to be associated with better organizational performance. In universities, for example, there is longitudinal evidence that research-focused scholars make the best leaders; results from a hospital study show that doctors instead of professional managers are most closely associated with the best performing institutions. To explain these patterns, and raise hypotheses, a theory of expert leadership (TEL) has been developed that might explain these patterns. In this paper the framework for expert leadership is applied to psychiatry.

Conclusions

The theory of expert leadership (TEL) proposes that psychiatric leaders, as opposed to non-expert managers, improve organizational performance through several channels. First, experts' knowledge influences organizational strategy. Second, having been 'one of them', a psychiatrist understands how to create the optimal work environment for psychiatric teams, through appropriate goal-setting, evaluation and support. These factors are positively associated with workers' wellbeing and performance. Third, exceptional psychiatrist-leaders are likely to set high standards for hiring. Fourth, leaders' credibility extends their influence among core workers, and also signals organizational priorities to stakeholders. Finally, a necessary prerequisite of TEL is that expert leaders have direct executive power inclusive of budgetary and strategic oversight.

Introduction

The well-being of workers may be of particular interest to psychiatrists. In a recent longitudinal study, it was found that a boss's technical competence is the single strongest predictor of a worker's well-being (1). Competence in that study was classified into three forms: whether the supervisor could do the employee's job; whether the supervisor had worked his or her way up inside the organization; and, finally, whether the supervisor was judged by the employees as having high technical competence. Although the well-being of workers might be believed to matter strongly in itself, it is now known to matter indirectly also. There is growing evidence that 'happier' workers are more productive (2).

Leaders' technical competence – or 'expert knowledge' – has also been shown in much research to correlate highly with organizational performance. The positive relationship has been found in a number of settings. In a study of hospital chief executives in the top-hundred US hospitals in three specialty fields (cancer, digestive disorders, and heart surgery), CEOs were classified into physician [1] -leaders (qualified doctors) and professional managers (3). The presence of a physician-chief executive as opposed to a professional manager was shown to be associated with better hospital performance; physician-led hospitals achieved 25% higher quality scores. Nurse leaders, as chief executives, were statistically indistinguishable from professional managers. A related study of UK hospital trusts, found that both the best run hospitals, and the best performing hospitals were those with a high proportion clinician-managers (4). A third study

[1] 'Physician is used in this paper to mean specifically doctors. The title excludes nurses and other allied health professionals. The term 'clinician' is used more broadly to include doctors, nurses and other allied professionals. The titles professional manager, non-expert manager or leader, are used to denote a person who holds a managerial or leadership position who is not a qualified doctor or psychiatrist, but instead is more akin to an administrator.

examined the related issue of board membership in UK hospital trusts (5). The study concluded that hospitals perform better when they have a higher proportion of physician-directors on boards. The same level of empirical support was not found for nurses and other allied health professions.

This line of research started in a study of university leadership and performance (6). It asked the question: who should lead research universities? Should they essentially be good managers or good scholars? Using a longitudinal dataset, the study demonstrated first, that respected scholars lead the best universities in the world; and second, that the research quality of a university improved many years later, after appointing an executive leader who was also an accomplished researcher. This kind of scholar-leader relationship has been replicated in a longitudinal study of Chairs of US departments of economics; departments led by more cited Chairs improved the most over a fifteen year period (7)[2].

These previously published results show that there is a strong relationship between a leader's knowledge and expertise in the organization's core business activity, and future performance. New research into why experts appear to make the best leaders is under way; it is testing the hypotheses raised in a 'theory of expert leadership' (8). In this paper a theory of expert leadership (TEL) model is presented, in schematic form, for psychiatry in Figure 1. In the next section of the paper the model is broken down and briefly summarized.

[2] The expert-leader pattern has also been found in the sports setting of US basketball, and the competitive industry of Formula 1 Championships.

Theory of Expert Leadership in Psychiatry

The theory proposes the existence of a first-order requirement -- it is that leaders should first have expert knowledge in the core-business of the organizations they are to lead. Importantly, expert knowledge is not a proxy for management or leadership skills. The head of a hospital or psychiatric unit must also be a competent manager and leader. Consequently, not all experts, or psychiatrists, will make good leaders. Nevertheless, most clinicians should receive training in these important skills[3]

Once the first-order requirements have been established, a hiring panel may want to scrutinize other factors: for example, the more subjective attributes like style of leadership or personality. These secondary factors are likely to be disparate and may be subject to assortative matching depending on the organizational culture and other factors.

Figure 1 depicts a conceptual model - an ideal-type - of expert leadership in psychiatry (9). It outlines the possible processes through which experts transfer their influence. The model suggests that experts, compared with non-experts, influence organizational performance through two main channels: decision making and actions, and by signaling their expertise to internal and external stakeholders, such as patients or consumers.

[3] A research group of Australian psychiatrists and the author have begun a new study aimed at identifying appropriate management and leadership training for psychiatrists.

Decisions and Actions

Leaders are involved in multiple decisions and actions. Three areas, within this framework, are highlighted that potentially explain performance differences between expert leaders - psychiatrist executives - and managers who are non-experts. These are: making knowledge-based strategic decisions; managing the work environment; and through hiring behavior.

All organizations require leaders to make strategic decisions. A *Knowledge-based strategy* can be thought of as one that has been directly influenced by the expert knowledge of a leader accrued through education and experience in the core business activity. The strategic choices of psychiatrist-executives are likely to be informed by their psychiatry practice, research, career and medical training – which put the patient first. The priorities of a physician leader will tend to differ from those of a non-expert manager (whose career focus has been different). The top management team makes strategic choices that are reflections of their own values and demographic factors, such as age, education, functional track or domain (10). To become a successful expert, whether in psychiatry or engineering, an individual is required to focus intensely on their subject for many years, thereby amassing a deep knowledge base, often referred to in the management literature as 'domain knowledge'. Aligning a leader's own career preferences and priorities (e.g. patient focused) with the requirements of the core business is likely to shape decision-making and organizational strategy.

Expert leaders are also likely to engage with consumers and carers to inform their strategic and operational directions. Having encouraged consumer participation in treatment decisions and

self-management as clinicians, expert clinical leaders could be expected to re-engage with consumers in shaping strategic choices and operational priorities once in leadership positions.

The second set of decisions and actions outlined in Figure 1 relate to the way that experts *manage the work environment* for employees. Expert leaders – psychiatrist-executives - originate from the core workers. Having been 'one of them', expert leaders understand the culture and value system of core workers, and also their incentives and motivations. They are, therefore, more likely to create the right conditions compared with leaders who are non-experts. These conditions include appropriate goal-setting, work evaluation and support of core workers (e.g. the psychiatric team) – factors that are associated with high levels of job satisfaction, well-being and productivity, and lower intentions to quit. A leader who is a psychiatrist will be better equipped to interpret signals of productivity from other members of the psychiatry team. A key reason why managerial processes and metric indicators have been so widely introduced in the UK's National Health Service may be because professional managers do not understand how to assess, monitor or feedback to doctors. If managers do not share expert knowledge with core workers then arguably trust will also be absent. A lack of trust may lead to the introduction of overly cumbersome management systems, and inappropriate assessment may create a counterproductive climate, leaving employees feeling unfairly treated and demotivated. This would also have a detrimental effect on patients and carers.

The third important decision-making factor captured in Figure 1 pertains to *hiring behavior*. Most would agree that hiring the best people is central to the success of any organization. Senior managers and leaders control hiring, and, therefore, they also control the quality of those being

hired. It may be easier for a leader to be an effective enforcer of quality if she or he has first met the standard that is to be imposed (i.e. the standard bearer should first bear the standard). Individuals who have excelled in their field of expertise (psychiatrists, top scientists, surgeons) might be expected to hire others who are also outstanding in their field.

Expertise as a Signal

Bäker and Goodall (8) have suggested that expert leaders – psychiatric executives - make different decisions and take different actions compared with professional managers. But they may also signal different messages about themselves and their organizations to their own workers and to outsiders. Expert leaders *signal credibility* and are likely to command more respect because of their proven track record in the core-business activity – practice and research in the field of psychiatry. This approach focuses on the social interactions between leaders and their followers. Expert leaders are viewed as credible because they have 'walked-the-walk' to a high standard; they also signal that the head understands the culture and value system, incentives and priorities of those being led. A professional manager may have the same executive power, but expert leaders are likely to have both power and influence particularly among the core workers. Credibility in the long run will depend on good performance. Previous findings from universities (6) suggest that expert status is established by excelling in and maintaining core business activities for the majority of one's career.[4] This suggests that in an ideal situation

[4] The university presidents' study (6) included 400 heads. Virtually all of them were academics – 7 were not; however, those who left research to move into administration early in their careers were statistically associated with universities that performed the least well.

psychiatrist-executives should try to retain their clinical efficacy when they are in executive positions

Experts at the top can also *signal work conditions and strategic priorities* to potential employees, who as outsiders are automatically at an informational disadvantage with respect to organizational characteristics like, for example, the work environment. Finally, an organization's board may choose to hire a noted expert or specialist to send out a signal about strategic priorities to employees, and also to external stakeholders such as patients and carers, shareholders, customers, suppliers, the media and donors.

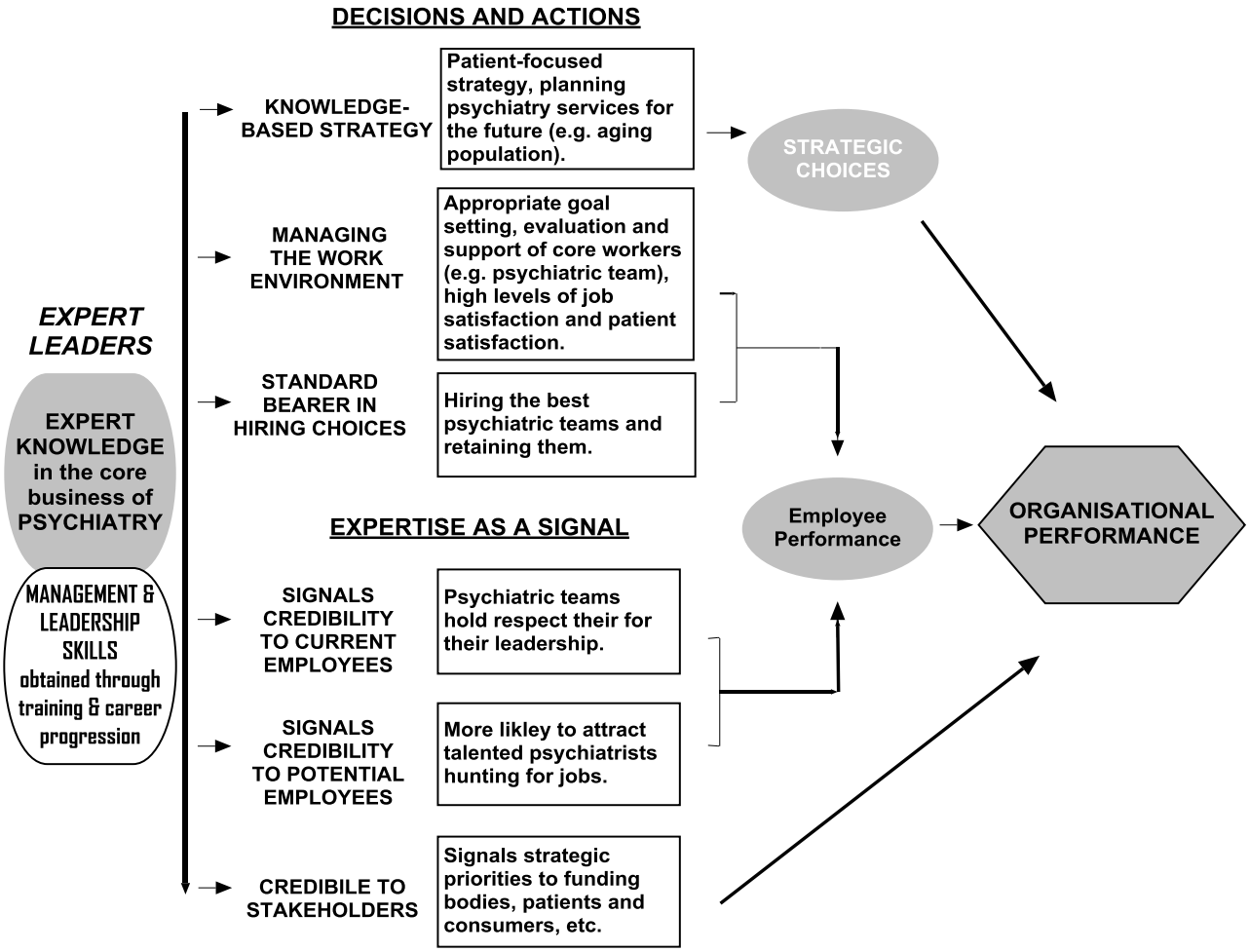
Executive Power

Figure 1 suggests that experts influence organizational strategy and employee performance, through the channels outlined above, which can lead to improved organizational performance. Expert leaders may have legitimacy, but to manage and change organizations, a necessary prerequisite is that they also have direct executive power. The empirical work that underpins TEL (from universities, academic departments, hospitals) comprises expert leaders who have executive authority in areas such as strategy, hiring, and finance. This is most important in medical organizations where lives are at risk, and, therefore, a clear line of command and single point of accountability is required. Indirect clinical power or a dual management structure, where power is equally shared with professional managers, is likely to work less well under the TEL model.

Conclusion

The original theory of expert leadership (TEL) was developed to try to explain empirical regularities that were found in a number of leadership settings (in universities, hospitals, high technology and sports). In that spirit, an ideal-type model for psychiatry is presented in Figure 1. The different channels depicted in the model illustrate how expert leaders - psychiatric-executives - can influence organizational performance. New research (in the planning process) will uncover fully the strengths and weaknesses of the theory of expert leadership in this important area of medicine.

Figure 1: Theory of Expert Leadership (TEL) Model for Psychiatry[5]



[5] Adapted from Goodall & Bäker, 2014.

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